11198

115

KOW TEST

TOWIGE 13

55

:UR

; 3

; P

I ; B

:0 X.

OP CA

NR

MR

Arreabytes (CN) ACCION:

TISHER BERLUN INFO: Amembassy LOTTION

68

381 474

PARIS MODEONA

227

SECRET

127 TISTIN

Born's 76 RFF:

1. Department appreciates Bonn's views implications for US policy of werest East Germany and refugee flow. Also Berlin's reporting these subjects.

- 2. After reviewing information available, Department has impression either of two contingencies could arise. First, and more likely, if refugee flood continues. Esst German regime might take measures dasigned to control it. They could do this either by dightening controls over travel from Soviet Zone to East Berlin or by severely restricting travel from East to West Berlin. Second, situation in zone could deteriorate sufficiently to lead to serious disorders.
- 3. We believe Soviets watching situation even more closely than we, since they are sitting on top volceno. For moment at least, Soviet policy is to tolerate loss of refugeos, while pressing toward decision on Berlin. Continued refugee flood could, however, tip belance toward restrictive measures. If Khrushchev became seriously concerned situation East Cermany, he could either call for

Drohed by EUR: GER: JCAus land: dj 7/20/61.

Telegraphic fransmission and classdication approved by: EUR - Fay D. Kohler

GER - Mr. Hillenbrand

SOV - Mr. Anderson (In draft)

UNP - Mr. Sisco REPRODUCTION FROM THIS COPY IS PROHIBITED UNLESS "UNCLASSIFIED".

SPORT

call for shouldown on Berlin or stroken pressure in order give regime time get economic house in order.

- b. Like Soriets, US is freed with difference on lost Cornery. White we would like see unrest there cause Soviets to slacken pressure on Berlin, we would not like see revolt at this time. Nor would US like see drastic measures taken halt refugee flow, particularly since this might only fan flames in East Germany.
- 5. £.12bchanexxSoviets and GDR leaders seem to be creating enough difficulties for themselves in East Germany, without Us taking a hand. We plan, therefore, do nothing at this time which would exacerbate situation.
- This does not probled, however, cur helping advertise facts to world, in such way as not to encourage East German to revolt or to expect US assistance if they do.
- 7. Department considering plans neet contingencies discussed pragraph 2. If

  GDR tightens travel controls between Soviet Zone and East Borlin there is not much US

  could do, other than help advertise facts. If GDR should restrict travel within

  Borlin, US would favor countermeasures, at least in TTD field and portupe economic.

  decided in light
- 8. In event uprising East Cormany, US course of action would be SCHREGERY of circumstances at the time.

  ABSENCE TRANSPORT OF THE SCHOOL OF TH
  - 9. Would appreciate comments receiving posts.

RUSK